

Message Text

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PAGE 01 GENEVA 09737 071839Z

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ACTION STR-04

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CIEP-02 SS-15 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02

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TAGS: GATT, ETRD

SUBJECT: TEXTILES/MULTIFIBER ARRANGEMENT RENEWAL DISCUSSIONS

FOLLOWING IS TEXT OF U.S. STATEMENT ON RENEWAL OF MULTIFIBER
ARRANGEMENT DELIVERED TO TEXTILES COMMITTEE ON DEC 7 BY CHAIRMAN
USDEL MICHAEL B. SMITH:

QUOTE:

A PERCEPTIVE STUDENT OF GOVERNMENT BEHAVIOR IN BOTH DOMESTIC
AND INTERNATIONAL AFFAIRS RECENTLY OBSERVED THAT ONE COULD USUAL-
LY JUDGE THE DEGREE OF IMPORTANCE OF ANY GIVEN TOPIC OR AGENDA
ITEM BY APPLYING THE RULE OF INVERSE PROPORTIONS -- THAT IS TO
SAY, THE LESS IMPORTANT THE ISSUE, THE LONGER THE STATEMENT
DEVOTED TO IT -- AND, VICE VERSA -- THAT IS, THE MORE
IMPORTANT THE ISSUE, THE SHORTER THE STATEMENT NEEDED TO DEAL
WITH IT.

I HAD INTENDED TO APPLY THIS PRECEPT THIS MORNING BY EXPRESS-
ING THE POINT OF VIEW OF MY GOVERNMENT WITH RESPECT TO THE
FUTURE OF THE MFA IN THREE SHORT POINTS: (-) THE UNITED

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PAGE 02 GENEVA 09737 071839Z

STATES GOVERNMENT BELIEVES THAT TE MFA HAS MARKED A SIGNIFICANT
ADVANCE IN INTERNATIONAL COOPERATION IN TEXTILE TRADE; (2) WE

BELIEVE THE MFA SHOULD BE RENEWED OR EXTENDED AS SOON AS POSSIBLE;
AND (3) WE ARE PREPARED TO ACCEPT SUCH RENEWAL OR EXTENSION NOW.

MR. CHAIRMAN, IF I WERE A TRUE OR TOTAL CONVERT TO THE RULE
OF INVERSE PROPORTIONS, I WOULD END MY REMARKS WITHOUT FUR-
THER ADO. BUT PERHAPS I HAVE SPENT TOO MANY YEARS IN THE DIPLO-
MATIC SERVICE AND TOO MANY OF THOSE YEARS WORKING ON INTER-
NATIONAL TEXTILE MATTERS NOT TO USE THIS OPPORTUNITY TO EXPLAIN
FURTHER SHY MY GOVERNMENT HAS THIS POINT OF VIEW.

FIRST, THE IMPORTANCE OF THE MFA. AS I NOTED IN MY REMARKS
DURING LAST WEEK'S REVIEW, THE UNITED STATES BELIEVES THIS
ARRANGEMENT HAS MADE SIGNIFICANT CONTRIBUTIONS IN THREE
AREAS:

(1) THE MFA DEMONSTRATES THE PRINCIPLE THAT ACTIONS TO RESTRAIN TEXTIL
E IMPORTS CAN BE GOVERNED BY A SET OF
INTERNATIONALLY AGREED STANDARDS EXPRESSLY DEVELOPED
FOR THAT PURPOSE.

(2) THE OPERATIONS OF THE TEXTILES SURVEILLANCE BODY
HAVE PROVIDED, FOR THE FIRST TIME IN INTERNATIONAL
TEXTILE RELATIONS, A FORUM FOR MEASURING RESTRAINT
ACTIONS TAKEN BY IMPORTING COUNTRIES AGAINST THE
STANDARDS SET FORTH IN THE MFA AND AGREED TO BY ALL
NATIONS WHICH HAVE ACCEDED TO IT.

(3) THE MFA HAS MADE A SIGNIFICANT CONTRIBUTION TO THE
ORDERLY GROWTH OF TEXTILE TRADE AND GREATER ACCESS
TO IMPORTING MARKETS DURING A PERIOD WHEN WORLD
ECONOMIC CONDITIONS WERE ADVERSELY AFFECTING THE
TEXTILE INDUSTRIES OF ALL NATIONS -- LARGE AS WELL AS
SMALL, EXPORTERS AS WELL AS IMPORTERS.

MR. CHAIRMAN, WE HAVE NOT FOUND THE MFA TO BE A PERFECT
INSTRUMENT. NOR, AS WAS MADE CLEAR BY MY DISTINGUISHED
COLLEAGUES DURING OUR REVIEW LAST WEEK, HAVE THE OTHER GOVERN-
MENTS REPRESENTED HERE. BUT THE MFA HAS PROVIDED A FRAMEWORK
IN WHICH WE COULD ALL WORK TOWARD THE ORDERLY, NON-DISRUPTIVE
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PAGE 03 GENEVA 09737 071839Z

DEVELOPMENT OF WORLD TEXTILE TRADE -- A FRAMEWORK WHICH WE BELIEVE
WILL BE AS VALUABLE TO US ALL IN THE FUTURE AS IT HAS BEEN IN
THE PAST.

AND THIS BRINGS ME, MR. CHAIRMAN, TO MY NEXT POINT
-- THE RENEWAL OR EXTENSION OF THE MFA AS SOON AS POSSIBLE.
MY GOVERNMENT'S DESIRE TO RENEW OR EXTEND THE MFA FLOWS
NATURALLY FROM OUR ASSESSMENT OF ITS VALUE TO ALL TEXTILE TRADING
NATIONS DURING THE FIRST THREE YEARS OF ITS EXISTENCE AND
OUR ASSESSMENT OF THE VALUE SUCH A FRAMEWORK WOULD CONTINUE TO

HAVE IN THE FUTURE. AS SUCH, OUR DESIRE FOR RENEWAL OR EXTENSION NEEDS, I AM SURE, NO FURTHER EXPLANATION.

BUT WHY ARE WE PREPARED TO ACCEPT SUCH RENEWAL OR EXTENSION NOW? BECAUSE, MR. CHAIRMAN, WE BELIEVE IT IS OF VITAL IMPORTANCE TO THE CONTINUATION OF ORDERLY TRADE IN TEXTILES TO PROVIDE THE INDUSTRIES AND THE GOVERNMENTS OF THE TEXTILE-TRADING NATIONS OF THE WORLD ASSURANCES NOW THAT THEY WILL HAVE AN INTERNATIONALLY-AGREED SET OF RULES TO OPERATE UNDER BEGINNING JANUARY 1, 1978, AND FOR SOME YEARS THEREAFTER.

AS WE ALL KNOW, MR. CHAIRMAN, THE ORDERLY DEVELOPMENT AND EXPANSION OF WORLD TEXTILE TRADE, WHICH IS AFTER ALL THE PRIMARY PURPOSE OF THE MFA, REQUIRES CAREFUL AND INTENSIVE ADVANCE PLANNING. BUYERS OFTEN CONTRACT MONTHS IN ADVANCE -- AND SOME EVEN A YEAR AHEAD. THERE IS NO WAY THAT EITHER BUYERS OR SELLERS CAN MAKE INTELLIGENT DECISIONS IN THE MARKET PLACE IF THEY DO NOT KNOW THE TERMS UNDER WHICH NATIONS WILL ALLOW THEM TO OPERATE. IF WE WHO ARE HERE TODAY ARE GENUINELY CONCERNED OVER THE FATE OF OUR RESPECTIVE INDUSTRIES -- AND I WOULD SUBMIT, MR. CHAIRMAN, THAT THIS IS THE ONLY REASON WHICH WARRANTS OUR ALL COMING TO THIS BEAUTIFUL CITY AT THIS TIME -- THEN WE MUST IN ALL CONSCIENCE TRY OUR BEST TO REACH CONSENSUS ON EXTENDING THE MFA BEFORE WE LEAVE.

MR. CHAIRMAN, I DO NOT MEAN TO IMPLY THAT THE UNITED STATES BELIEVES THE PRESENT MFA TO BE A PERFECT INSTRUMENT. NOR, AS I INDICATED EARLIER, WOULD I WISH TO IMPLY THAT WE BELIEVED OTHER NATIONS THOUGHT THIS TO BE THE CASE. BUT WE DO HOPE WE ARE CORRECT IN SAYING THAT MOST PARTICIPATING COUNTRIES SHARE OUR VIEW REGARDING THE VALUE OF THIS INSTRUMENT.

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PAGE 04 GENEVA 09737 071839Z

WE MIGHT AGREE THAT THE INSTRUMENT COULD PERHAPS BE MORE FINELY TUNED, AND WE WOULD SUPPORT THE CONCEPT ADVANCED BY SEVERAL NATIONS LAST WEEK THAT CAREFUL ATTENTION BE GIVEN TO EXPLORING IMPROVEMENTS IN OUR PROCEDURES. WE MIGHT, FOR EXAMPLE, EXPLORE HOLDING MORE FREQUENT MEETINGS OF THE TEXTILE

COMMITTEES THAT IT COULD PROVIDE BOTH A FORUM FOR A MORE CONTINUOUS REVIEW OF THE MFA AND FOR MEANS OF PROVIDING APPROPRIATE GUIDANCE TO THE TEXTILES SURVEILLANCE BODY.

IN CLOSING, MR. CHAIRMAN, I WOULD LIKE TO RECALL THE PARABLE OF THE UMBRELLA AS RELATED TO US LAST WEEK BY THE DISTINGUISHED REPRESENTATIVE OF THE UNITED KINGDOM SPEAKING FOR HONG KONG. YOU WILL RECALL, MR. CHAIRMAN, THAT THE PURCHASER OF THAT UMBRELLA HAD COMPLAINED TO THE VENDOR THAT THE UMBRELLA HAD NOT KEPT HIM FROM GETTING WET EVEN THOUGH THE PURCHASER HAD FAILED TO OPEN IT. THE UMBRELLA WAS THERE WAITING

TO PERFORM ITS FUNCTION IF UNFURLED IN TIME, AND WE WOULD SUBMIT,
SIR, THE UMBRELLA IS STILL THERE, AS USEFUL AS EVER, WAITING TO
BE PROPERLY USED. WE SEE NO OVERWHELMING REQUIREMENT FOR A NEW
OR FANCIER UMBRELLA, ONLY THE WILL AND DETERMINATION TO USE
THAT UMBRELLA TO THE BEST OF OUR ABILITIES. UNQUOTE. CATTO

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